



U.S. Department of Justice

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March 11, 2004

FORMER HARMON TOWNSHIP SUPERVISOR SENTENCED TO PRISON FOR EMBEZZLING MORE THAN \$200,000 FROM THE TOWNSHIP AND DEFRAUDING TWO AREA BANKS

ROCKFORD – PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois; THOMAS J. KNEIR, Special Agent-In-Charge of the Chicago Office of the Federal Bureau of Investigation; and TIM BIVINS, Lee County Sheriff, today made the following announcement:

United States District Judge Philip G. Reinhard today sentenced **JOHN THOMAS LARSON**, 53 (DOB: 03-18-50), 15 East Bluff, Amboy, Illinois, former Supervisor of Harmon Township, Lee County, Illinois, to 24 months in prison without parole for mail fraud and bank fraud arising from his embezzlement of more than \$200,000 from the township and his fraud against two Lee County banks. In addition to the prison term, Judge Reinhard also ordered Larson to pay restitution of \$56,766.43 to Harmon Township, \$64,653.47 to First National Bank of Amboy, Amboy, Illinois, and \$80,170.78 to H.F. Gehant Banking Company, West Brooklyn, Illinois.

Larson served as the elected supervisor of Harmon Township from 1979 through 2001. As the township supervisor, Larson was responsible for receiving the township's revenues and depositing those funds into the township's bank account. Larson also was responsible for maintaining the record books for the township's funds.

At the time of his guilty plea on December 29, 2003, Larson admitted that between 1982 and 2001, he defrauded the township by embezzling over \$200,000 of the township's funds. Larson admitted that he used the township funds to pay his personal expenses, such as gambling expenses, lottery ticket purchases, and credit card payments. Larson acknowledged that he took these funds by writing checks to himself on the township's account, by writing checks on the township's account to pay his personal expenses, and by cashing several Personal Property Tax Replacement checks he received from the State of Illinois on behalf of Harmon Township. Larson further admitted that he concealed his thefts from the township board by failing to record his illegal withdrawals in the township's record books.

Larson also admitted that, in a further attempt to conceal his embezzlement of township funds, he obtained more than \$200,000 in fraudulent loans from two Lee County banks between 1998 and 2001. Larson acknowledged that when he applied for these loans, he provided forged documents to the banks which stated that the loans had been authorized by the Harmon Township Board. Larson also admitted that he falsely told the banks that the loans would be used to purchase equipment for the township and repair existing equipment. Instead, as Larson acknowledged, he used the loan proceeds to replace the funds he had stolen from the township's bank account.

The case was investigated by the Rockford office of the FBI and the Lee County Sheriff's Department. The case is being prosecuted in federal court by Assistant United States Attorney SCOTT A. VERSEMAN.

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